

No. 1953-4Lab-76/22593.- In pursuance of the provisions of section 17 of the Industrial Disputes Act, 1947 (Act No. XIV of 1947), the Governor of Haryana is pleased to publish the following award of the Presiding Officer, Industrial Tribunal, Faridabad, in respect of the dispute between the workmen and the management of M/s Forgings Private Limited, II, 12/6, Mathura Road, Faridabad.

BEFORE SHRI O. P. SHARMA, PRESIDING OFFICER, INDUSTRIAL TRIBUNAL,  
HARYANA, FARIDABAD

Reference No. 47 of 1974

between

SHRI SHIV NATH SINGH, WORKMAN AND THE MANAGEMENT OF M/S. FORGINGS PRIVATE  
LIMITED, II, 12/6, MATHURA ROAD, FARIDABAD.

Present :—

Nemo for the workman.

Shri Vishnu Dass Bhandari, Administration Officer, for the management.

#### AWARD

By order No. ID/FD/73/9672, dated 12th April, 1974, the following disputes between the management of M/s. Forgings Private Limited, II, 12/6, Mathura Road, Faridabad and its workman Shri Shiv Nath Singh was referred for adjudication to this Tribunal in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 :—

Whether the termination of services of Shri Shiv Nath Singh was justified and in order? If not, to what relief is he entitled.

The parties put in their respective pleadings. The workman reiterated his claim for reinstatement and payment of back wages with the allegation that he had joined service with the respondent on 11th November, 1972 but his services were illegally terminated on 5th December, 1972 without any notice, warning or charge sheet. The management on the other hand contested his claim on merits pleading *inter alia* that as a matter of fact he was a casual worker and was made regular only on 1st May, 1973 by issuing a letter of appointment and that he had remained absent from duty without any proper leave or authority from 5th November, 1973 onwards and when nothing was heard from him his name was struck off the rolls as per the standing orders of the company on 26th November, 1973. The workman was required to file rejoinder but no rejoinder has been filed by him in spite of obtaining a number of adjournments and the above allegation of the management remained uncontroverted. Shri Vishnu Dass Bhandari, Administration Office has testimony to the above fact mentioned in the written statement and has proved a number of documents including the letter of appointment, dated 1st May, 1973, Exhibit M-1, certified standing orders of the company copy Ex. M-2, extract from the relevant entries showing the workman absent from duty from 5th November, 1973 to 26th November, 1973 Ex. M-3, copies of 5 letters written to him to collect his dues Ex. M-4 to Ex. M-8 and the letter written by the workman himself on 18th December, 1973 Ex. M-9 wherein he has himself admitted that he had remained absent from duty from 6th November, 1973 on account of the death of his father and that he wanted to be excused for this default.

I have heard the learned representative of the management and given a careful thought to the material on record. A perusal of the appointment letter Ex. M-1 would show that this workman was appointed on 1st May, 1973 and not on 11th November, 1972 as alleged by him. The relevant entry from the attendance register Ex. M-3 further reveals that he had remained absent from duty from 5th November, 1973 to 26th November, 1973. This fact had in a way been admitted by him in his own letter, dated 18th December, 1973 Ex. M-2. During the intervening period the management had addressed to him 5 letters, dated 7th, 11th, 18th, 22nd, 26th November, 1973 finally intimating him that his name had been struck off the rolls due to his unauthorised continuous absence from duty and that he could collect his dues. Nothing was heard from him till 18th December, 1973. Even if he was unable to report for duty from 5th November, 1973 onwards due to the death of his father as mentioned in the letter, dated 18th December, 1973. Exhibit M-1. He was required to give this explanation to the management earlier. The Certified Standing Orders of the company by which he was governed are clear on the point and the relevant clause 16 may usefully be reproduced as under :—

‘A workman who absents himself 10 consecutive calendar days or overstay leave beyond the period of leave originally granted or subsequently extended for 10 consecutive calendar days will be deemed to have left the services of the Company without notice.’

So, taking into consideration the facts stated above I am of the considered view that it is a case of self-abandonment of service by the workman concerned and having remained absent from duty for more than 10 days consecutively. He was deemed to have left service of the company without notice resulting into the loss of lien on the job held by him. In other words his services automatically stood terminated on account of his above

conduct without any action on the part of the management. In the circumstances it can not be held that any industrial dispute existed between the parties which could validly be referred for adjudication under the provision of the Industrial Disputes Act, 1947.

In the circumstances, the question of the termination of services of the present workman by the management or its justification does not arise for determination in the case. The issue involved is accordingly decided against the workman holding that he is not entitled to any relief of reinstatement or payment of back dues or the intervening period after his name had been struck off the rolls by the management on 26th November, 1973 as per standing orders of the company. He would, however, be at liberty to collect his previous dues, wages for earned leave, bonus, etc. if any due on any working day as stated by Shri Vishnu Dass Bhandari, Administration Officer of the Company. The award is accordingly made but without any order as to costs.

O. P. SHARMA,  
Presiding Officer,  
Industrial Tribunal, Haryana,  
Faridabad.

Dated the 31st January, 1975.

No. 704, dated the 3rd February, 1975.

Forwarded (four copies) to the Secretary to Government, Haryana, Labour and Employment Departments, Chandigarh, as required under section 15 of the Industrial Disputes Act, 1947.

O. P. SHARMA,  
Presiding Officer,  
Industrial Tribunal, Haryana,  
Faridabad.

Dated the 7th February, 1975.

No. 1950-4Lab-75/22607.—In pursuance of the provisions of section 17 of the Industrial Disputes Act, 1947 (Act No. XIV of 1947), the Governor of Haryana is pleased to publish the following award of the Presiding Officer, Industrial Tribunal, Faridabad in respect of the dispute between the workmen and the management of M/s Globe Steel, Mathura road, Faridabad.

**BEFORE SHRI O. P. SHARMA PRESIDING OFFICER, INDUSTRIAL TRIBUNAL,  
HARYANA, FARIDABAD**

**Reference No. 112 of 1973**

*between*

**SHRI BHAGIRATH RAM, WORKMAN AND THE MANAGEMENT OF M/S GLOBE  
STEEL, MATHURA ROAD, BALLABGARH**

*Present :—*

Shri Bhim Singh Yadav, for the workman.

Shri H. R. Dua, for the management.

#### **AWARD**

By order No. ID/FD/73/31976, dated 6th July, 1973, the Governor of Haryana, the following dispute between the management of M/s Globe Steel Mathura Road, Ballabgarh and its workman Shri Bhagirath Ram had been referred for adjudication to this Tribunal in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947:—

Whether the termination of services of Shri Bhagirath Ram is justified and in order? If not, to what relief is he entitled?

The parties put in their respective pleadings giving rise to the following issues —

- (1) Whether the demand the subject matter of the present reference was first raised by the management and rejected by it before taking up the matter for conciliation? If not, with what effect? (On workmen)
- (2) Whether the reference against M/s Globe Steels is bad in law and this Court has no jurisdiction to adjudicate upon the demand the subject matter of the reference for the reasons given in the preliminary objections Nos. 2 to 4 of the written statement?

- (3) Whether the termination of services of Shri Bhagirath Ram is justified and in order ? If not, to what relief is he entitled ?

Some evidence has been led by the workman. It is, however, not necessary to go in to the merits of the case and the issues involved as an amicable settlement has been arrived at between the parties. Their statements have been recorded.

According to the settlement, the order of the termination of services of Shri Bhagirath Ram workman concerned, has been converted into one of retrenchment with effect from 31st December, 1972, and he has been entitled to service compensation up to that date besides notice pay for one month, gratuity, earned wages, wages for earned leave, if any, and the total amount so due has to be paid to him by 7th of May, 1975. He has admittedly received the amount of bonus.

The award is, therefore, made in terms of the above settlement arrived at between the parties by which they shall be bound. The management shall pay to the workman service compensation, notice pay for one month, gratuity, earned wages, leave for earned wages, if any, due by 7th of May, 1975, treating the order of his termination of services into one of retrenchment with effect from the same date, i. e., 31st December, 1972, as agreed. There shall be no order as to costs.

Dated the 29th January, 1975.

O. P. SHARMA,  
Presiding Officer,  
Industrial Tribunal, Haryana, Faridabad.

No. 201, dated 4th February, 1975

Forwarded (four copies) to the Secretary to Government, Haryana, Labour and Employment Department's, Chandigarh, as required under section 15 of the Industrial Disputes Act, 1947.

O. P. SHARMA,  
Presiding Officer,  
Industrial Tribunal, Haryana, Faridabad.

Dated the 29th January, 1975

No. 1836-4Lab-75/22609.—In pursuance of the provisions of section 17 of the Industrial Disputes Act, 1947 (Act No. XIV of 1947), the Governor of Haryana is pleased to publish the following award of the Presiding Officer, Industrial Tribunal, Faridabad, in respect of the dispute between the workmen and the management of M/s Raja Steel Rolling and Fabricating Mills, Daultabad Road, Gurgaon.

BEFORE SHRI O. P. SHARMA, PRESIDING OFFICER, INDUSTRIAL TRIBUNAL, HARYANA, FARIDABAD

Reference No. 10 of 1976

between

SHRI PRAHLAD SINGH, WORKMAN AND THE MANAGEMENT OF M/S RAJA STEEL ROLLING AND FABRICATING MILLS, DAULTABAD ROAD, GURGAON

Present—

Nemo for the workman.

Shri Harish Chander Khanna, for the management.

#### AWARD

By order No. ID/GG/84-A-74/41222, dated 30th December, 1975, of the Governor of Haryana, the following dispute between the management of M/s Raja Steel Rolling and Fabricating Mills, Daultabad Road, Gurgaon, and its workman Shri Prahlad Singh was referred for adjudication to this Tribunal in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947.

Whether the termination of services of Shri Prahlad Singh was justified and in order ? If not, to what relief is he entitled ?

On receipt of the order of reference, usual notices were given to the parties. The workman concerned has elected not to appear in person or through authorised representative to pursue his claim. On behalf of the management it has been stated that it is a case of self-abandonment of service by the workman.

Statement of Shri Harish Chander Khanna, Manager of the respondent concern, has been recorded. He has sworn testimony to the facts that Shri Prahlad Singh had remained absent from duty from 9th March, 1974 till 30th June, 1974, without any proper authorisation, and his name was, therefore, struck off the rolls with

effect from 1st July, 1974. He has further stated that one leave application had been received from this workman asking for two days leave for 9th and 10th March, 1974, which was disallowed and even thereafter he has not reported for duty up to date. An extract of the relevant entries in the attendance register Exhibit M-1 has also been produced.

In view of the above, no further proceedings are called for in the case and there is apparently no reason to disbelieve the statement on oath of Shri Harish Chander Khanna, Manager, which finds support in the documentary evidence pertaining to the entries in the attendance register of the workman concerned, especially when the workman is not himself coming forward to pursue his claim. The original entries in the attendance register appear to be quite genuine.

Taking into consideration the facts of the case as discussed above, I am of the considered view that it is a case of self-abandonment of service by Shri Prahlad Singh, workman concerned, due to his unauthorised absence from duty from 9th March, 1974 to 30th June, 1974. His services automatically stood terminated on account of his above conduct, without any action on the part of the management. The question of the termination of his services by the management or its justification, in the circumstances, does not arise for consideration and, in the result, he is not entitled to any relief by way of reinstatement or payment of back dues. The award is made accordingly but without any order as to costs.

O. P. SHARMA,

Presiding Officer,  
Industrial Tribunal, Haryana,  
Faridabad.

Dated 27th January, 1975.

No. 107, dated 27th January, 1975.

Forwarded (four copies) to the Secretary to Government, Haryana, Labour and Employment Departments, Chandigarh, as required under section 15 of the Industrial Disputes Act, 1947.

O. P. SHARMA,  
Presiding Officer,  
Industrial Tribunal,  
Faridabad.

Dated 27th January, 1975

P. P. CAPRIHAN,

Commr. & Secy.

## HARYANA FINANCIAL CORPORATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 1976

#### Introduction

The Board of Directors of the Haryana Financial Corporation present herewith their 9th report along with the audited statement of accounts for the year ending the 31st March, 1976. The Corporation has on the 31st March, 1976, completed 9 years since its establishment as an independent organisation on the 1st April, 1967. As the statements and facts appearing later in this report will speak for themselves, the Corporation has been able to maintain a highly satisfactory rate of growth and has been able also to assist beneficiaries in all geographical areas of the State of Haryana.

#### Sanctions

Statement 14 would reveal that during the year financial assistance was sanctioned for the establishment, diversification, or expansion of, industrial concerns to 166 small-scale units for an amount of Rs. 4,45,21,922 and to 28 industrial concerns other than in the small-scale for an amount of Rs. 4,90,23,960 totalling to 194 industrial concerns having been sanctioned Rs. 9,35,45,882. (This is exclusive of assistance for generating sets to industrial concerns). The corresponding figures for the year 1974-75 were 139 industrial units in the small-scale which were sanctioned Rs. 3,73,52,510, and 22 units outside the small-scale which were sanctioned Rs. 3,71,91,057, totalling to 161 industrial units having been sanctioned a sum of Rs. 7,45,43,567.

The performance in 1975-76, as compared to 1974-75, registered, therefore, an increase of 25.49 per cent in terms of amount and 20.50 per cent in terms of the number of units.

On the other hand, owing to the improved power situation, the Corporation has been able to sanction during the outgoing year only Rs. 58,42,600 in respect of generating sets to 34 industrial concerns as against as many as 133 concerns which were sanctioned as much as Rs. 1,56,94,500 in the preceding year.

Owing to increase in prices of petrol and other consumables and a severe recessionary trend, there had been an increasing tendency towards default in respect of transport loans granted previously. Your Directors, therefore, chose to suspend for the time being fresh financial assistance to transport operators. While 42 operators had been sanctioned assistance of Rs. 24,60,700 in the year 1974-75, the outgoing year saw merely an enhancement of limit in respect of a transport loan already sanctioned earlier consequent upon the increase in the cost of chassis. The amount of the increase was only Rs. 14,500.

In sum, therefore, the year 1975-76 resulted in total sanctions of all kinds for an amount of Rs. 9,94,12,982 in respect of 228 beneficiaries as against Rs. 9,26,98,767 in respect of 336 beneficiaries in the year 1974-75. It would be observed that, as compared to the previous year, there were 33 additional beneficiaries for an additional amount of Rs. 1,90,02,315 so far as industrial loans (excluding generating sets) is involved. However, this was largely off-set by reduction in the number of units receiving assistance for generating sets (99) for a much lower sum (Rs. 98,51,900) and in the number of transport operators receiving assistance (42) for a reduced amount (Rs. 24,46,200).

### Disposal of Applications

To place the foregoing in perspective, it would be worth-while to examine statements 18, 19 and 20. It would be seen that as against 585 applications received during the year 1974-75, seeking total financial assistance of Rs. 2,099.87 lacs, the applications received during the year 1975-76 were 277 in number (38.80%) for an amount of Rs. 981.90 lacs (46.76%).

From amongst applications pending with the Corporation, those withdrawn by the prospective clients (on account of change of the scheme, change of mind regarding setting up an industrial unit, lack of interest etc.) were 71 in number involving an amount of Rs. 266.95 lacs during the year 1974-75 as against 174 withdrawals involving an amount of Rs. 639.38 lacs in 1975-76. In terms of the number of applications withdrawn, the figure in the year 1975-76 was virtually 2-1/2 times that in 1974-75 and the relevant amount was also of the same order as compared to that of the previous year.

As a result of concerted efforts made in this direction, the significantly higher disposal of industrial loan cases, and taking advantage of the smaller inflow of applications, the Corporation has been able to reduce the total number of pending applications of all kinds from 292 as on the 31st March, 1975 to only 83 as on the 31st March, 1976.

Every effort has been made to cut down the time lag between application and sanction. It has been possible in increasing number of cases to cut this period to 3 months or less. The Corporation is endeavouring to attain a target of appraising and submitting to the Executive Committee, industrial loan cases within a period of 2 months of the receipt of the application, where these are received complete in all respects. To provide suitable guidance to entrepreneurs, and in order to aid them in submitting complete applications and having ready all relevant information, comprehensive guidelines have been prepared and are now made available to prospective clients.

### Disbursement

As against a total disbursement of Rs. 4,91,01,970 during the year 1974-75 a disbursement of Rs. 6,06,32,433 was made during the year under review. As has already been mentioned elsewhere, the sanction of loans to transport operators was suspended during the outgoing year. As a consequence merely 7 transport operators were disbursed loans for an amount of Rs. 2.56 lacs against earlier sanctions. On account of the improving power situation only 43 industrial concerns (41 new cases and 2 partly disbursed cases) were disbursed generating set assistance for a sum of Rs. 53,22,300 during the outgoing year against 78 such cases for a sum of Rs. 78,03,070 in the previous year.

However, disbursement of industrial loans (excluding assistance for generating sets) has surged ahead and the amount thus disbursed increased by Rs. 1,53,11,633 (38.53%). The number of new units remain roughly the same showing only a marginal reduction from 120 new units which received industrial assistance in 1974-75 to 119 new units who have benefited during 1975-76. As against 85 units which had already commenced receiving funds against industrial loans prior to the year 1974-75, and which continued to receive assistance during that year, units which received the second or subsequent instalments of financial assistance during 1975-76 were 77 in number.

Cumulative disbursements commencing with the first full year of the Corporation's Operations (1967-68) have thus risen to Rs. 23,74,79,666 as against Rs. 17,68,47,233. Adding disbursements inherited on the 1st April, 1967 of an amount of Rs. 5,33,13,150, the cumulative disbursements would stand at Rs. 29,07,92,816.

### Small Scale Industries

Excluding the transport sector, of the total financial assistance of Rs. 9,93,98,482 sanctioned in the outgoing year to a total of 228 industrial units, an amount of Rs. 4,68,35,522 (47.12%) was sanctioned in favour of 192 (84.21%) small-scale units. The corresponding figure for the year 1974-75 in respect of the amount sanctioned was slightly higher (50.84% being Rs. 4,58,78,610 out of Rs. 9,02,38,067) but in respect of the units benefited was slightly lower (82.66% being 243 units out of a total of 294) excluding transport. In terms of the number of beneficiaries, therefore, a larger proportion of beneficiaries have been from the small-scale sector.

### Backward Areas

The Corporation's contribution to the development of backward areas by advancing financial assistance to entrepreneurs and industrial concerns located in those areas has continued to be substantial. It will be seen from statement 21 that as many as 61 units out of a total of 228 units (27%) received sanction of Rs. 272.449 lacs out of total assistance sanctioned of Rs. 994.13 lacs which amounted to 27.41% of the total assistance sanctioned. An interesting feature of the assistance has been that the average loan sanctioned per unit in the backward areas during the year 1975-76 has been of the order of Rs. 4.47 lacs as against Rs. 2.81 lacs in the previous year. While to some extent the increase may be accounted for by the fact that the figures for 1975-76 relate more or less exclusively to industrial units while those for 1974-75 include transport loans as well, by the same token it would be significant that the growth of sanctions in respect of industrial loans in the backward areas would be significantly in excess of industrial loans sanctioned for these areas in 1974-75.

As compared to total disbursement the share of backward areas has increased significantly as also the gross amount disbursed. While in the preceding year disbursements were made to 64 new units for a total amount of Rs. 1,17,14,150, 45 new units were disbursed a total amount of Rs. 2,16,25,500 during 1975-76. Disbursement, therefore, registered an increase of Rs. 99,11,350 on the previous year's level (84.61%) and in the year just ended disbursement in such areas formed 35.67% of all disbursements against a corresponding figure of 23.86% in the previous year.

### Special Schemes

The Corporation continued to implement the various special or concessional schemes which had been formulated in the past. These include the scheme under the IDA line of credit, concessional finance for generating sets, and concessional finance for backward areas apart from certain concessions admissible to technician entrepreneurs. The Corporation also continued to act as the agent of Government in implementing the scheme for the educated unemployed and for the purposes of disbursement of central subsidy for industrial units started in backward areas. The Corporation was also involved towards the close of the year in implementing the scheme for Government subsidy for generating sets.

### IDA-Line of Credit

It may be recalled that a line of credit was established between the International Development Association (IDA) an affiliate of the World Bank and the Government of India, the Reserve Bank and the Industrial Development Bank of India. The line of credit was to be utilised for the purpose of financing such industrial units as required to import capital equipment. The scheme was extended to cases where the cost of the project did not exceed Rs. 1 crore and the ceiling of total financial assistance required from the Corporation, inclusive of rupee component, did not exceed Rs. 30 lacs, which latter is the statutory limit on all financial assistance granted by the Corporation. Under the scheme, subject to prior approval of the project by the Industrial Development Bank of India (and in the larger cases subject to the prior approval of IDA) the Corporation is enabled to sanction loans for import of capital equipment to such industrial units as are eligible for assistance and have valid import licences. The Industrial Development Bank of India refinances the Corporation for lending activities under this scheme.

As against Rs. 42,09,567 sanctioned to 8 cases under this line of credit in 1974-75, the outgoing year saw the sanction of Rs. 82,34,482 to 9 industrial units. Cumulatively the Corporation has sanctioned up to 31st March, 1976, a sum of Rs. 1,89,57,519 to 27 industrial units comprising of a foreign exchange component, equivalent to Rs. 91,98,476 and a rupee component of Rs. 9,75,043.

Your Directors would like to report with pleasure that the total commitment of the first line of credit by all institutions concerned in the country within the stipulated date a performance in which the Haryana Financial Corporation's role has been appreciated has enabled the finalisation of the second line of credit with IDA, effective from the current financial year. The line of credit is, therefore, expected to continue.

### Generating Set Loan

The Corporation continued to implement the scheme for granting concessional finance for the purchase of generating sets. The scheme was designed to enable relatively more expeditious disposal of applications for assistance where, on account of acute power scarcity, generating sets were sought to be acquired by industrial concerns. A margin of only 20 per cent is retained against the value of the generating set and 80 per cent

of such value can be financed. The finance is extended against hypothecation of the generating set and the more expensive and complex mechanism of securing the advance by a registered mortgage is avoided. The rate of interest applicable, which at the beginning of the period under review was 10 per cent, reducible further to 9 per cent in a backward area on the availability of refinance, had to be increased towards the end of the year because of a directive received from the Industrial Development Bank of India consequent upon the revision of industrial credit rates on a country wide basis. The effective rate of interest, therefore, for disbursements made after the 1st December, 1975, is in the main being stipulated at 10.5 per cent (which is reducible to 9.5 per cent in a backward area on the availability of refinance) subject to prompt repayment of dues. The nominal rate of interest is somewhat higher as from that date with a provision for a rebate on prompt repayment. This change was a part of a general revision of the Corporation's lending rates from the 1st December, 1975. This revision will be discussed at greater length elsewhere in this report.

The Corporation also became the agent of Government under a newly started Government scheme for grant of subsidy to those concerns which had purchased new generating sets subsequent to the 1st April, 1975.

#### Concession for Backward Areas Development

As has already been reported, the backward areas have been significant beneficiaries of the Corporation's lending programmes both in terms of gross amounts sanctioned and disbursed, and it has been possible to gain considerable ground in our operations in those areas. The scheme for concessional finance to backward areas has had a major role to play in this achievement. For industrial units in these areas the rate of interest at the beginning of the year under review could be as little as 9% on the availability of refinance. Consequent upon the revision of lending rates already referred to and a change in the rate structure stipulating a nominal rate of interest with a 2% prompt repayment discount, the corresponding effective rate of interest in the case of identified backward areas on the availability of refinance may be as little as 9.5%. The corresponding nominal rate of interest on availability of refinance is 11.5%-2% in excess of the effective rate of interest. The maximum rate of interest for an industrial loan in a backward area (subject to availability of refinance) at the commencement of the year was 11%, which rate was applicable to industrial units other than in the small-scale and if located in a backward area declared by the State Government as distinct from an identified backward area declared by the Central Government—namely in Kalka and Naraingarh Tehsils of Ambala District and Nahar Sub-Tehsil of Rohtak District. This increased to an effective rate of interest of 11.5%. It should be conceded that even this is highly attractive. Margins too are lower for industrial units established in backward areas being 20% (as against the normal 25%) for small-scale units and 30% (as against the normal 40%) for medium-scale units. Besides these facilities, relatively more adverse debt equity ratios and longer gestation periods are permissible in the case of industrial units located in backward areas, especially where the units are in the small-scale sector.

#### General Terms of Lending

The general terms of lending at the close of the year under review may be referred to in the following statement :—

			Margin	Rate of Interest (Rupees loan)	Rate of Interest (IDA Line)
<b>Industrial Loans</b>					
(a) Other than small-scale	(Other than backward areas) ..	40%		15.5%	(14.5%) 13.5%
	Identified backward areas ..	30%		15.5%	(11.5%) 13%
	Backward areas declared by State Government ..	30%		14.5%	(13.5%)
(b) Small-scale ..	Other than backward areas ..	25%	Loans up to Rs. 2.00 lakhs	12.5%	(12.5%)
			Loans above Rs. 2.00 lakhs	14.5%	(13%) 13%
	Identified backward areas ..	20%	Loans up to Rs. 2.00 lakhs	12.5%	(11.5%) 13%
			Loans above Rs. 2.00 lakhs	14.5%	(11.5%) 13%
	Areas declared by State Government ..	20%	Rs. 2.00 lakhs	12%	(12%)
			Loans above Rs. 2.00 lakhs	13.5%	(12.5%)

		Margin	Rate of Interest (Rupees loan)	Rate of Interest (IDA Line)
Generating Set	Other than indentified backward areas	20%	12.5% (12.5%)	N.A.
	Identified backward areas	..	12.5% (11.5%)	N.A.

Note :—

- (i) A rebate of 2% p.a. in interest is allowed in case the repayment is made on the due dates.
- (ii) Rates of interest shown in brackets are applicable when refinance is made available by the Industrial Development Bank of India.
- (iii) Identified backward areas comprise of the districts Hissar, Jind, Bhiwani, Mohindergarh and Sirsa.
- (iv) Backward areas declared by the State Government comprise of Tehsils—Kalka and Naraingarh of district Ambala and Sub-Tehsil Nahar of Tehsil Jhajjar of district Rohtak.
- (v) As lending to transport operators and the hotel industry have been suspended, the details regarding margin, rates of interest etc., have been excluded from the statement.

#### Agency Funds

Out of the 47 agency loans with a debit/balance of Rs. 13,83,818 inherited by the Corporation, 7 remained pending on the 1st April, 1975 with an outstanding balance of Rs. 2,49,527.

All the accounts continued to outstand and the balances had increased marginally to Rs. 2,70,528 on account of additions of interest despite certain recoveries having been effected. Of the 7 cases, in two cases the units were auctioned. However, the entire amount could not be recovered. Attempts are being made to recover the balance amount. In another three cases compromises were accepted in court which had not been honoured by the loanees and execution proceedings were being contemplated.

The sixth case was pending in court. The seventh case has only a nominal amount outstanding and was likely to be adjusted shortly.

#### Other Miscellaneous Programmes

The Corporation has already been actively engaged, along with the Small Industries Service Institute in Okhala and the Directorate of Industries, in the promotion and establishment of industries in the selected growth centres of Jind, Bhiwani, Rewari and Tohana. It has been possible as a result of intensive promotional and follow up efforts to sanction assistance to 8 industrial units in the growth centres for a total amount of Rs. 16.88 lacs. It is hoped that with the successful implementation of these units, they will act as a catalyst for further units being set up in this area and will instil some measure of confidence in new entrepreneurs.

Similarly, in collaboration with the Directorate of Industries and other agencies the Corporation has been actively engaged in promoting industrial units as ancillaries to H.M.T., Pinjore. The Corporation is hopeful of playing a significant role in this as yet new born venture and has already decided to relax certain norms relating to margins for such units as are established as ancillaries to H.M.T. Pinjore, thus enabling greater financial participation by the Corporation than would otherwise have been possible.

#### Financial Results and Programmes

As would be evident, the Corporation's disbursements and outstandings have both shown a significant increase. The manner in which the higher level of disbursements was sustained on the basis of a matching inflow of funds and the recycling of the investments made is an issue, therefore, which would merit some analysis.

#### Investment in the Corporation

The authorised capital of the Corporation stood enhanced to the limit of Rs. 5.00 crores as on 1st April, 1975. As against this, the paid up capital stood at Rs. 3.00 crores on the same day. Your Directors resolved during the outgoing year to raise the paid up capital by another Rs. 1.50 crores to the level of Rs 4.50 crores during the 2 years 1975-76 and 1976-77. The increase in this share capital was proposed on a matching basis between the Industrial Development Bank of India and the State Government and the matter was accordingly taken up with both organisations. We are happy to record that the State Government had contributed Rs. 15.00 lakhs during the outgoing year towards their commitment. However, as the matching contribution of Industrial Development Bank of India had still to be received, this amount has, for the present, been kept in the Sunday Account to be transferred to the share capital account in due course. In the statement which follows and



which indicates the number of shareholders and other particulars, therefore, the paid up value of shares and number of shares issued still do not reflect this additional amount.

Serial No.	Class of shareholders	No. of shareholders in the class	No. of shares held	Value of shares	Annual dividend payable for 1975-76
					Rs
1	Haryana Government ..	1	1,41,325	1,41,32,500	5,30,615.00
2	Industrial Development Bank of India ..	1	1,22,915	1,22,91,500	4,52,085.00
3	Scheduled Banks ..	8	25,105	25,10,500	1,12,415.00
4	Co-operative Banks ..	8	1,515	1,51,500	5,545.00
5	Insurance companies (including Life Insurance Corporation established under Section 3 of the Life Insurance Corporation of India Act, 1956), Investment Trusts and other Financial Institutions excluding Industrial Development Bank of India, Scheduled Banks and Co-operative Banks ..	3	7,635	7,63,500	31,465.00
6	Parties referred to in class (d) of sub-section (3) of Section 4 of the Act ..	50	1,505	1,50,500	5,435.00
	Total ..	71	3,00,000	3,00,00,000	11,37,560.00

#### Resources

The main items of resource during the year under review were the issue of bonds and ad hoc-bonds, receipts of refinance from the Industrial Development Bank of India and recoveries of the Corporation's dues from its clients.

#### Bonds

The Corporation was allowed to raise borrowings by means of floatation of bonds on two different occasions during the year under review. The limit permitted was of Rs. 75.00 lacs in the first instance and additional limit of Rs. 50.00 lacs subsequently with the option in either case to retain 10% in excess of the limit subject to subscriptions being available to that extent. The Corporation floated these bonds accordingly on the 25th November, 1975 (HFC Bonds 1985 Second series) and again on the 25th March, 1976 (HFC Bonds 1986) at the prescribed interest rate of 6-1/4% per annum for a period of 10 years each. We are happy to record that that bonds over-subscribed on both occasions on the date on which they were floated and were, therefore, closed on the same day. Bonds of Rs. 82.50 lacs (10% in excess of Rs. 75.00 lacs) were issued on the first occasion and of Rs. 55.00 lacs (10% in excess of Rs. 50.00 lacs) on the second occasion totalling to Rs.137.50 lacs during the year.

#### Ad-hoc Bonds

Owing to the substantial increased disbursement level, it had become necessary during the out going year to resort to temporary borrowings against ad-hoc bonds. While on the 1st April, 1975, a total amount of Rs. 20.00 lacs was outstanding against ad-hoc bonds of Rs. 1.50 crores issued during the year 1973-74, the Corporation had, during the year 1975-76, on the expiry of the previous bond, to issue a fresh bond Rs. 3.00 crores, against which the outstanding amount stood at Rs. 2.00 crores as on 31st March, 1976. There was, therefore, a net increase in borrowings under ad-hoc bonds by Rs. 1.80 crores during the year 1975-76. While ad-hoc bonds are primarily intended to be in the nature of short-term borrowings to tide over temporary liquidity problems, the higher levels of lending activities and larger outstanding without a corresponding increase in long term borrowings, specially regular bonds, resulted in greater reliance having to be placed on ad-hoc bonds.

### Refinance

The Corporation continued to avail of sizeable amounts by way of refinance from the Industrial Development Bank of India. The total amount availed of was Rs. 2,75,72,666 against sanctions of Rs. 3,26,53,379 during the same period. Sanctions during the out-going year were, however, considerably less than sanctions in the year preceding although the amount availed of was slightly larger. Repayment of refinance also imposed a much higher burden during the year 1975-76 than in the year previous. As a result the increase in the refinance outstanding during the year was only Rs. 1,44,96,575. The refinance outstanding as at the end of the year was Rs. 7,99,07,463 as against Rs. 6,54,10,888.

### Deposits

In its quest for funds to keep its lending programmes going at the desired pace, the Corporation had to seek new resources. It is reported with pleasure, therefore, that the Corporation was successful in mobilising a sum of as much as Rs. 25,06,000 under its deposits scheme. At the commencement of the year it had total deposits of Rs. 2,55,000. With the substantial increase in deposits during the year 1975-76, the total deposit outstanding at the end of the year rose to Rs. 27,61,000.

### Investments of the Corporation

By the end of the year 1975-76, the Corporation had cumulatively disbursed or invested in its lending activities a sum of as much as Rs. 29,07,92,816 inclusive of an amount of Rs. 5,33,13,150 inherited by it on the 1st April, 1967. The following table depicts the year-wise disbursement and the cumulative investment of the Corporation in these programmes :—

Serial No.	Period	Amount disbursed	Cumulative investment
		Rs	Rs
1	Amount disbursed by the erstwhile Punjab Financial Corporation in the areas comprising Haryana from 1953 to 31st March, 1967	5,33,13,150	5,33,13,150
2	1967-68	1,13,60,500	6,46,73,650
3	1968-69	1,27,34,000	7,74,07,650
4	1969-70	1,12,89,500	8,86,97,150
5	1970-71	1,09,95,000	9,96,92,150
6	1971-72	2,02,11,783	11,99,03,933
7	1972-73	2,60,74,200	14,59,78,133
8	1973-74	3,50,80,280	18,10,58,413
9	1974-75	4,91,01,970	23,01,60,383
10	1975-76	6,06,32,433	29,07,92,816

After accounting for repayments the total outstanding amount from the lending operations of the Corporation stood at the figure of Rs 21,77,59,992 on the 31st March, 1976, as compared to Rs 16,43,90,333 as on the 1st April, 1975.

### Repayments

Rs 2,32,56,690 by way of principal and Rs 1,48,89,867 by way of interest totalling to Rs 3,81,46,557 fell due for repayment during the out-going year. The total repayment received during the year was Rs 2,58,30,446, out of which Rs 1,63,24,854 was by way of principal and Rs 95,05,592 was by way of interest. The actual recoveries were significantly in excess of the previous years' performance of Rs 2,00,91,011 (the difference being Rs 57,39,435) and constitutes an increase of 28.57%.

### Defaults

Unfortunately the increasing trend in defaults continued during the year ending 31st March, 1976, despite the best efforts of the Corporation. Listed among the contributory factors may be the severe recessionary trend following on the heels of an acute power shortage in the preceding years, which made the earlier contemplated recovery in the industrial climate difficult, if not impossible. Industries already hit over the past several years owing to difficult raw-material and power situation and uncertain markets, which might have been expected otherwise to look up on the improvement of the power situation during the year under review, found themselves unexpectedly caught by a sharp recession not only locally but also, as was discovered by such units as were expecting substantial exports, internationally. The position was further aggravated by working capital difficulties and a squeeze on working capital credit. As has already been mentioned the wide divergence between rates of interest on working capital facilities from banks and the low interest rates on terms loans advanced by the Corporation also provided an incentive to hold back the Corporation's dues. As a result, despite the higher recoveries already referred to, the defaults rose from a level of Rs 1,22,19,846 at the beginning of the year to Rs 2,34,20,183 at its close. The latter figure comprised of Rs 1,47,29,110 by way of defaulted principal and Rs 86,91,073 by way of defaulted interest. As a percentage of total outstanding at the end of the year, the default was 10.76% as compared to 7.43% as at the end of the previous year.

The Corporation had to adopt various steps to meet the situation as it has been emerging. One of the measures which has already been referred to elsewhere was a revision in the interest structure applicable to future loans and substantial increase in the nominal rate of interest as from December, 1975. The divergence between the rate of interest attracted by working capital limits and term loans has, as a result, been considerably reduced, while at the same time inexpensive finance will still be available to those loanes who ensure timely repayment. In addition, the Corporation intensified its post-sanction monitoring of cases. As against 49 post-sanction inspections conducted in the year preceding, as many as 140 were conducted during the year under review. Amongst these the main emphasis was on inspections in cases which were defaulting or where it was felt that a default was likely to occur. Similarly, transport loans which were one of the major areas of default were also followed up more vigorously and, for the first time, the Corporation had to take recourse to actually seizing a large number of vehicles financed by the Corporation in respect of which defaults had been committed. The Corporation had also to file civil suits in exercise of powers vested in the Corporation under section 29 of the Act. 7 Civil suits had to be filed involving an amount of Rs 16,10,516. It is expected that these measures would have a long range affect in suppressing the incidence of defaults. At the same time, as a development banking institution, the Corporation had to meet in full measure its responsibility towards the creation and exploitation of industrial potential within the State and, in deserving cases, had willingly to accept its responsibilities of nursing sick units at times even by extending further financial assistance, and occasionally by rescheduling recoveries.

### Profits

The performance of the Corporation has once again resulted in substantial profits. The gross profits before taxation in the out-going year amounted to Rs 81,26,145 against the corresponding figure of Rs 50,33,488 of the previous year showing an increase of Rs 30,92,657 or of 61.44%. The gross income was Rs 2,00,44,751 showing an increase of Rs 57,58,173 over the previous year's figure of Rs 1,42,86,578 or registering an increase of 40.30%.

### Appropriation of Profits and Reserves

A provision of Rs 28,13,053 has been made towards taxation and of Rs 11,37,560 for the payment of dividends out of the net profit of Rs 81,26,145 (including Rs 74,266 as excess income tax paid). The dividends declared are as under :—

	Rs
(i) State Government	5,30,615.00
(ii) Industrial Development Bank of India	4,52,085.00
(iii) Scheduled Banks	1,12,415.00
(iv) Co-operative Banks	5,545.00
(v) Insurance Companies including L.I.C., Investment trusts and Other Financial Institutions, excluding I.D.B.I., Scheduled Banks & Co-operative Banks	31,465.00
(vi) Parties referred to in clause (d) of sub-section (3) of section 4 of the Act	5,435.00
	<u>11,37,560.00</u>

Out of the balance profits further reserves have been created to the extent of Rs 44,80,628 inclusive of a sum of Rs 3,79,170 by way of special reserves under Section 35(A). Cumulatively the reserves would thus stand at Rs 1,48,58,493 or 49.53% of the capital of Rs 3.00 crores. (Once the amount of Rs 15.00 lacs paid by the State Government towards increase of the paid-up capital is transferred to the capital account the percentage would diminish marginally to 47.17%).

### Organisation and Training

There has been no significant change in the organisational set up of the Corporation except that, recognising the need for senior level assistance for the Managing Director, a post of General Manager was created during the year under review and the State Government were requested to recommend a suitable officer to man this post on deputation. Incidentally, it may be added that this was the recommendation too of the World Bank Study Team, which visited the Corporation as a part of the arrangement entered into in connection with the IDA Line of Credit. Your Directors have also set up a Sub-Committee of the Board to study and recommend suitable steps with a view to strengthening the man-power available and the study and organisation prevailing in the context of the rapidly increasing work load.

Apart from availing of training facilities already existing with the Bankers Training College of the Reserve Bank of India and other recognised institutions to which personnel of the Corporation were continued to be sent during the year under review, the Corporation also initiated a domestic training programme in which all operational categories of personnel participated. It is believed that this programme has been of some use in stream-lining performance at all levels.

### Management and Board of Directors

There were several changes in the Board of Directors of the Corporation during the year under review. Consequent upon the appointment of Shri T.K. Banerji, I.A.S. as the Managing Director of the Haryana Financial Corporation the vacancy caused by him amongst the nominee directors of the State Government was filled by Smt. Kiran Aggarwal, I.A.S. with effect from the 11th July, 1975. With effect from the 23rd August, 1975 the Reserve Bank of India nominated as director Shri K. Ganapathy, Assistant Chief Officer in place of Shri D.C. Sharma. Shri K. Ganapathy was in turn replaced by Shri B.D. Sharma, Deputy Chief Officer with effect from 10th March, 1976. Consequent upon the transfer of Shri P.N. Khosla of the Life Insurance Corporation of India an elected director representing Insurance Companies, Investment Trusts and other financial institutions but excluding scheduled banks and co-operative banks he submitted his resignation from the directorship of the Corporation and Shri R. C. Chadha, Divisional Manager, Life Insurance Corporation of India, Chandigarh was elected for the unexpired term of the vacancy thus created. Shri B.K. Vera, General Manager, Punjab National Bank was similarly elected to fill the vacancy caused by the resignation of Shri S.R. Mohindroo during the year 1974-75, for the unexpired period of Shri Mohindroo's terms.

Finally, after having been its Chairman since December, 1972 and consequent upon his transfer to the Government of India, Shri S.K. Misra, I.A.S., resigned from the Corporation and his place was taken by Shri M.C. Gupta, I.A.S., Commissioner & Secretary to Government of Haryana in the Industries Department.

The other directors, Shri B. L. Mittal, I.A.S., Shri P. Gupta, Shri Man Singh, Shri Vineet Virmani and the Managing Director, Shri T. K. Banerji, I.A.S., have continued on the Board throughout the year.

The Board of Directors wish to record with gratitude their acknowledgement of the co-operation and the dedication with which the outgoing directors and especially the outgoing Chairman assisted the Board in all their deliberations and duties and guided the direction of the Corporation.

### Meetings of the Board and Executive Committee

During the year under review the Board held nine meetings and the Executive Committee 11 meetings.

### Auditors

The State Government have appointed in consultation with the Comptroller & Auditor-General of India, Messrs Jain & Associates, Chandigarh as the auditors for the accounts of the year 1975-76.

### Acknowledgement

The Board wish to record their sincerest gratitude to the Government of India, the Reserve Bank of India, The Industrial Development Bank of India, the Industrial Credit & Investment Corporation of India, other State Financial Corporations, and all scheduled banks and financial institutions with which the Corporation has had dealings at different times, for the co-operation and assistance rendered to the Board and to the officers and officials of the Corporation at all times. The Board would wish to also make special mention of

the officers of the Directorate of Industries who have extended invaluable assistance and guidance to the Corporation whenever required.

In the end, the Board must record with pleasure their appreciation of the zeal and dedication with which the officers and the staff of the Corporation have discharged their duties. They have been instrumental in bringing about the significant all-round progress made by the Corporation. Without their involvement and devotion to duty such progress would not have been possible. In token of their appreciation the Board have already sanctioned the customary *ex gratia* good performance reward to the staff and officers of the Corporation, equivalent to three months pay and allowances.

By order of the Board.

T. K. BANERJI,  
Managing Director.

### REPORT OF THE AUDITORS

To

The Shareholders,  
Haryana Financial Corporation.

We, the undersigned Auditors of the Haryana Financial Corporation do hereby report to the shareholders upon the Balance Sheet and Accounts of the Corporation as at 31st of March, 1976.

We have examined the attached Balance Sheet with the Accounts and Vouchers relating thereto and report that where we have called for explanations and informations, such information and explanation have been given and have been satisfactory. In our opinion, the Balance Sheet is a full and fair Balance Sheet containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the state of affairs of the Corporation according to the best of our information and explanations given to us and shown by the books of the Corporation.

for Jain and Associates  
Chartered Accountants,

Place : CHANDIGARH,

(Sd.) P. C. JAIN,  
Partner.

Dated : 24th March, 1976.

**HARYANA FINANCIAL**  
**Balance Sheet as on**

Figures for the previous year	CAPITAL AND LIABILITIES		Amount	Amount
Rs			Rs.	Rs.
	<b>1. CAPITAL</b>			
	<u>Authorised :</u>			
5,00,00,000	5,00,000 Shares of Rs. 100 each			5,00,00,000
	<u>Issued</u>			
3,00,00,000	3,00,000 shares of Rs. 100 each			3,00,00,000
	Subscribed and paid-up [Guaranteed by State Govt. under Section 6(1) of the State Financial Corporation Act, 1951]			
3,00,00,000	3,00,000 shares of Rs. 100 each			3,00,00,000
	<b>2. RESERVE FUND AND OTHER RESERVES :</b>			
	<u>(i) General Reserve Fund (Section 35 of State Financial Corporations Act, 1951)</u>			
14,85,000	Balance as per last Balance Sheet	21,66,000		
5,25,286	Additions during the year	1,34,000		
1,55,714	Add : Amount of Income Tax Refund transferred	—	23,00,000	
21,66,000				
	<u>(ii) Special Reserve Fund (Section 35-A of State Financial Corporations Act, 1951)</u>			
4,49,604	Balance as per last Balance Sheet	8,58,351		
4,08,747	Amount transferred from dividend payable	3,79,170	12,37,521	
8,58,351				
	<u>(iii) Reserve for Bad and Doubtful Debts</u>			
10,85,000	Balance as per last Balance Sheet	11,65,000		
80,000	Additions during the year	7,05,000	18,70,000	
11,65,000				
3,41,89,351	Carried over		54,07,521	3,00,00,000

**CORPORATION, CHANDIGARH**  
**31st March, 1976**

Figures for the previous year	PROPERTY AND ASSETS	Amount	Amount
Rs.		Rs.	Rs.
	<b>1. CASH AND BANK BALANCES :</b>		
	(a) Cash in hand		
33,486	(i) Corporation's Funds	25,094	
252	(ii) Agency Funds	1,490	
500	(iii) Imprest with Branch Offices	496	
34,238		27,080	
	(b) Balance with Banks under Section 33(2)		
9,357	(i) Reserve Bank of India	14,481	
44,40,297	(ii) Scheduled Banks		
11,088	(a) Corporation's Funds	36,37,210	
	(b) Agency Funds	13,894	
15,47,950	(iii) Seed Money from State Govt. (New Bank of India S/FA/C)	7,29,818	
—	(iv) Central Subsidy from State Govt. (Union Bank of India S/F A/C)	8,61,309	
—	(v) Generating Set Subsidy from State Govt. (Central Bank of India S/FA/C)	16,46,833	
—	(vi) Training Component from State Govt. (New Bank of India Ltd., S/F A/C)	83,908	69,87,453
60,08,692	(c) Short-term Deposits with Banks		
16,00,000	(i) Corporations Funds	51,00,000	
—	(ii) Agency Funds	—	51,00,000
76,42,930	2. INVESTMENTS :		1,21,14,533
1,99,800	Shares acquired under underwriting agreement [(Under Section 25(i)(c) 1998 redeemable preference shares of Rs. 100 each at cost]		1,99,800
	<b>3. LOANS AND ADVANCES:</b>		
	(Details as per schedule annexed)		
16,43,90,333	(a) Corporation Funds	21,77,59,992	
2,49,528	(b) Agency Funds	2,70,528	
92,000	(c) Seed Money	8,22,740	
8,159	(d) Commission Recoverable under Deferred Payment Guarantee	1 22,660	
16,47,40,020		21,88,75,920	
	<b>4. GUARANTEES AND UNDERWRITING AGREEMENTS :</b>		
24,17,202	Guarantees Under Section 25 per contra		24,17,202
17,49,99,952	Carried over		23,36,07,455

Figures for the previous year		CAPITAL AND LIABILITIES		Amount	Amount
Rs			Rs	Rs	
3,41,89,351	Brought forward		54,07,521	3,00,00,000	
	(iv) Other Reserves				
	(a) Special Reserve for purpose of Section (36)(1)(viii) of Income Tax-Act, 1961				
40,73,119	Balance as per last Balance Sheet	60,86,514			
20,13,395	Additions during the year	32,50,458	93,36,972		
60,86,514					
	(b) Gratuity Reserve				
92,000	Balance as per last Balance Sheet	1,02,000			
10,000	Additions during the year	12,000	1,14,000	1,48,58,493	
1,02,000					
	3. BONDS AND DEBENTURES				
	(Guaranteed by the State Government under Section (7)				
29,68,900	5½ per cent 29,689 Bonds of Rs 100 each redeemable in 1977		29,68,900		
45,52,300	5½ per cent 45,523 (2nd series) Bonds of Rs 100 each redeemable in 1977		45,52,300		
55,00,000	6 per cent 55,000 Bonds of Rs 100 each redeemable in 1980		55,00,000		
55,00,000	6 per cent 55,000 (2nd series) Bonds of Rs 100 each redeemable in 1980		55,00,000		
55,00,000	6 per cent 55,000 Bonds of Rs 100 each redeemable in 1983		55,00,000		
1,10,00,000	6 per cent 1,10,000 Bonds of Rs 100 each redeemable in 1984		1,10,00,000		
82,50,000	6 per cent 82,500 Bonds of Rs 100 each redeemable in 1985		82,50,000		
82,50,000	6 per cent 82,500 Bonds of Rs 100 each redeemable in 1986		82,50,000		
55,00,000	6½ per cent 55,000 Bonds of Rs 100 each redeemable in 1984		55,00,000		
55,00,000	6½ per cent 55,000 Bonds of Rs 100 each redeemable in 1985		55,00,000		
—	6½ per cent 82,500 (Second Series) Bonds of Rs 100 each redeemable in 1985		82,50,000		
—	6½ per cent 55,000 Bonds of Rs 100 each redeemable in 1986		55,00,000	7,62,71,200	
6,25,21,200					
1 0,28,99,065		Carried over		12,11,29,693	



Figures for the previous year	PROPERTY AND ASSETS	Amount	Amount
Rs		Rs	Rs
17,49,99,952	Brought forward		23,36,07,455
	<b>5. MOTOR, CARS, CYCLES, FURNITURE AND FIXTURES ETC.</b>		
	Cost up to last balance sheet	2,29,081	
	Additions during the year	97,096	
		<u>4,26,177</u>	
	Less : Sales during the year	—	
		<u>4,26,177</u>	
	Less: Depreciation written off up to 31st March, 1975	1,09,425	
		<u>3,16,752</u>	
	Less : Loss on sales adjusted	324	
		<u>3,16,428</u>	
2,19,656	Less: Depreciation written off during the year	<u>39,016</u>	2,77,412
	<b>6. OTHER ASSETS :</b>		
37,256	(i) Stationery & Stores (at cost)	94,285	
111	(ii) Security Deposits	336	
	(iii) Accrued interest on :		
41,97,376	(a) Loans & Advances	59,67,701	
31,400	(b) Deposits with scheduled banks	590	
7,277	(c) Advances to staff	<u>15,523</u>	59,83,714
14,985	(iv) Dividend accrued on investment	14,985	
2,976	(v) Claims recoverable	47,643	
1,23,251	(vi) Advances recoverable in cash or kind	1,97,675	
1,20,510	(vii) Cheques in hand	—	
4,102	(viii) Auto Telephone under Installation	13,128	
134	(ix) Suspense account	250	
1,55,714	(x) Income-tax recoverable	—	
3,120	(xi) Pre-paid expenses	<u>5,044</u>	
46,98,212			63,57,060
17,99,17,820	Carried over		<u>24,02,41,927</u>

Figures for the previous year	CAPITAL AND LIABILITIES	Amount	Amount
Rs.		Rs.	Rs.
10,28,99,065	Brought forward		12,11,29,693
2,55,000	4. FIXED DEPOSITS (under Section -8) :		27,61,000
	5. BORROWINGS (under Section-7) :		
	From Industrial Development Bank of India under Section 7(4) holding for Industrial Development Bank in trust the securities offered by Corporation's constituents against loans advanced to them by the Corporation	7,99,07,463	
6,54,10,888			
	From Reserve Bank of India, New Delhi against 9 per cent adhoc Bond of Rs. 300 lacs under section 17(4A) of SFCs Act, 1951 guaranteed by the State Government redeemable on or before 27-1-1977	2,00,00,000	9,99,07,463
20,00,000			
6,74,10,888			
	6. GUARANTEES AND UNDERWRITINGS AGREEMENTS		
	Contingent Liabilities under Deferred Payment Guarantee under section 25 per contra		24,17,202
24,17,202			
	7. OTHER LIABILITIES :		
	(i) State Government Funds under Agency agree- ment	1,74,600	
1,74,600			
12,285	(ii) Sundry Deposits	15,92,848	
	(iii) Borrowers' Imprest		
2,75,334	(a) Corporation's Funds	4,59,026	
148	(b) Agency Funds	148	
—	(c) Seed Money	4,707	
4,70,499	(iv) Staff Provident Fund	6,16,394	
—	(v) R. B. I. 805 Staff Provident Fund	13,721	
	(vi) Unclaimed Dividend (After transfer of Rs. 3,79,170 to Special Reserve Fund)	79,050	
1,30,356			
	(vii) Dividend payable :		
—	(a) Balance of previous year	7,252**	11,44,812
6,19,752	(b) Proposed for the year	11,37,560	
83,620	(viii) Interest due on Agency Loans but not yet reali- sised	1,04,546	
16,39,950	(ix) Seed Money from State Government	8,27,450	
		50,17,302	
17,29,82,155	Carried over		22,62,15,358

Figures for  
the previous  
year

## PROPERTY AND ASSETS

Amount

Amount

Rs  
17,99,17,820

Brought Forward

Rs

Rs  
24,02,41,927

7. DISCOUNT ON ISSUE OF BONDS TO THE EXTENT  
NOT WRITTEN OFF:

44,309 On 6 per cent Bonds 1980

35,143

51,946 On 6 per cent Bonds (2nd series)

42,780

77,923

96,255

18,00,14,075

Carried over

24,03,19,850

Figures for the previous year		CAPITAL AND LIABILITIES		Amount	Amount
Rs				Rs	Rs
17,29,82,155	Brought forward ..			50,17,302	22,62,16,358
..	(x) Training Components from State Government ..			81,271	..
..	(xi) Seed Money Sanctioned but not Disbursed ..			6,72,550	..
..	(xii) Central Subsidy from State Government ..			8,24,126	..
..	(xiii) Generating Set Subsidy from State Government ..			16,00,000	..
8,87,266	(xiv) Interest on bonds accrued but not due ..			10,32,311	..
13,85,620	(xv) Outstanding Liabilities :				
559	(a) Corporation's Funds ..	17,25,115		..	..
	(b) Interest due on Deposits but not paid ..	87,935		18,13,050	..
13,126	(xvi) Temporary Staff Security Deposits ..			4,783	..
7,545	(xvii) Deferred Payment Advance Guarantee Commission ..			7,545	..
3,242	(xviii) Rebate on Deferred Payment Guarantee ..			..	..
2,500	(xix) Interest Received (Agency) ..			5,876	..
..	(xx) Sundry Deposits (Agency-Seed Money & Trg. Compt) ..			51,230	1,11,10,044
57,06,402					
8. PROVISION FOR TAXATION					
17,44,104	Amount provided during the year ..			28,13,053	
710	Less—Debit balance of previous year ..			..	..
17,43,394					
41,724	Add—Deficit of 1974-75 on account of Assessment Order ..			..	..
17,85,118	Less: (a) Advance Tax paid under Section 210 of Income Tax Act, 1961 ..	18,16,451		28,13,053	..
17,59,569	(b) Tax Deducted at Source ..	1,461		18,17,912	9,95,141
1,976					
23,573					
9. INTEREST IN SUSPENSE ACCOUNT					
8,57,088	Balance of previous year ..			12,97,314	..
24,161	Less—Amount realised during the year ..			..	..
8,32,927				12,97,314	..
4,64,387	Additions during the year ..			6,97,554	19,94,878
12,97,314					
10. PROFIT AND LOSS ACCOUNT					
5,404	Balance of previous year ..			4,631	..
32,47,660	Add—Net profit for the year as per annexed Profit and Loss Account ..			52,38,826	..
32,53,064	Less: (a) Amount transferred to General Reserve (Under Section 35 of S.F.Cs. Act, 1951) ..	1,34,000		52,43,457	..
5,25,286	(b) Amount transferred to Special Reserve for the purpose of Section 36(1)(viii) of Income-Tax Act, 1961 ..	32,50,458			
20,13,395	(c) Amount transferred to Reserve for Bad & Doubtful Debts ..	7,05,000			
80,000	(d) Amount transferred to Gratuity Reserve ..	12,000			
10,000	(e) Dividend Payable (Proposed) ..	11,37,560		52,39,018	4,439
6,19,752					
32,48,433					
4,631					
18,00,14,075					24,03,19,850

C. L. TALWAR,  
Additional Secretary.B. J. KHURANA,  
Secretary.T. K. BANERJI,  
Managing Director.

\*\*The amount of Dividend Payable includes Rs 7,192 which is to be transferred to Special Reserve U/S 35-A but the same has not been done so far as the approval of the State Government is awaited on this account.

Figures for the previous year	PROPERTY AND ASSETS	Amount	Amount
Rs		Rs	Rs
18,00,14,075	Brought forward	..	24,03,19,850
18,00,14,075		..	24,03,19,850

As per our report attached.

for Jain & Associates,  
Chartered Accountants,  
P. C. JAIN  
Partner  
B. Com., F.C.A.,  
Chandigarh.

Dated : 24th May, 1976.

## HARYANA FINANCIAL

## Profit and Loss Account for

Figures for the previous year	EXPENDITURE	Amount	Amount
Rs		Rs	Rs
69,16,100	To Interest on Deposits, Bonds & Debentures and Borrowings..		89,53,103
	To Interest on S/F-A/C Seed Money and Training Component for the year 1974-75 refundable to State Government		78,745
..	To Salaries and Allowances :—		
37,169	(a) Managing Director (includes <i>ex-gratia</i> good performance reward of Rs 7,200 provided in anticipation of sanction by the State Government) :—	45,643	
10,46,947	(b) Others (includes Rs 32,424 as Management Expenses on Bonds paid to State Bank of India)	13,13,838	13,59,481
10,84,116	To Travelling and Other Allowances :—		
1,976	(a) Managing Director ..	8,288	
72,035	(b) Others ..	51,983	60,271
74,011			
800	To Directors' and Committee Members' fees ..		1,650
7,009	To Directors' and Committee Members' Travelling and Other Allowances		8,911
33,123	To Contribution to Staff Provident Fund ..		37,047
83,799	To Rent, Taxes, Insurance, Light etc. ..		
48,589	To Postage, Telegrams, Stamps & Telephones ..		90,994
95,581	To Printing and Stationery ..		70,201
38,034	To Publicity and Advertisements ..		1,05,400
23,819	To Repairs and Renewals (including maintenance i.e. Rs 6,437)		8,874
85,736	To Bank Charges and Commission ..		17,854
	To Audit Charges :—		93,353
3,000	(a) Statutory ..	2,500	
1,000	(b) Internal ..	6,00	8,500
4,000			
14,909	To Law Charges ..		
31,270	To Depreciation ..		9,436
1,44,832	To Discount on Bonds & Debentures ..		39,016
55,000	To Brokerage and Underwriting Commission on Bonds & De- bentures		1,76,457
			68,750
	To Other Expenses :		
1,467	(a) Books and Newspapers ..	6,343	
3,089	(b) Uniforms ..	3,196	
43,274	(c) Not Enumerated ..	23,416	32,955
47,830			
41,724	To Excess Income-tax Paid ..		74,266
4,64,387	To Amount Transferred to Interest in Suspense ..		6,97,554
145	To Loss on sale of or dealing with other assets ..		324
17,44,104	To Provision for Taxation ..		28,13,053
32,47,660	To Balance of Net Profit carried to Balance Sheet ..		52,38,826
1,42,86,578			2,00,44,751

C. L. TALWAR,

Additional Secretary.

B. J. KHURANA,

Secretary.

T. K. BANERJI,

Managing Director.

## CORPORATION, CHANDIGARH

the year ended 31st March, 1976

Figures for the previous year	INCOME	Amount	Amount
Rs		Rs	Rs
By Interest :—			
1,40,21,118	(i)(a) On Loans and Advances	.. 1,98,61,496	
5,254	(b) On Advances to Staff	.. 8,475	
24,161	(c) Realised on Interest in Suspense Account	.. ..	1,98,69,971
1,40,50,533			
1,01,586	(ii) On Investment and Deposits	..	45,338
19,980	By Dividend on Shares Underwritten	..	19,980
28,620	By Commission : (i) On Deferred Payment Guarantee	.. 33,457	
..	(ii) On Seed Money Disbursed	.. 41,137*	74,594
4,280	By Profit on sale of Other Assets		
6,045	By Other Income	..	4,012
75,534	By Miscellaneous Income	..	30,856
1,42,86,578			2,00,44,751

Commission Receivable on Seed Money has been calculated on the basis of 5% of amount disbursed as follows :—

	Amount disbursed Rs	Commission Rs
1974-75	.. 92,000	4,600
1975-76	.. 7,30,740	36,537
Total	.. 8,22,740	41,137

As per our report attached.

for Jain & Associates  
Chartered Accountants  
P. C. JAIN,  
Partner  
B. Com., F.C.A.,  
Chandigarh.  
(Sd).  
Under-Secretary.

Dated : 24th May, 1976.